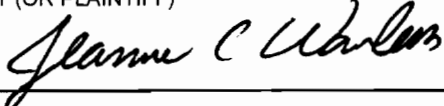


B 104 [08/07]

ADVERSARY PROCEEDING COVER SHEET (Instructions on Reverse)		ADVERSARY PROCEEDING NUMBER (Court Use Only)		
PLAINTIFFS ACTING UNITED STATES TRUSTEE	DEFENDANTS TESLA GRAY			
ATTORNEYS (Firm Name, Address, and Telephone No.) JEANNE C. WANLASS (Bar No. 167215) OFFICE OF THE U.S. TRUSTEE 402 WEST BROADWAY, SUITE 600 SAN DIEGO, CA 92101-8511 (619)557-5013	ATTORNEYS (If Known) THOMAS C. NELSON 550 WEST C STREET, STE. 1850 SAN DIEGO, CA 92101 (619)236-0230			
PARTY (Check One Box Only) <input type="checkbox"/> Debtor <input type="checkbox"/> Creditor <input type="checkbox"/> Trustee <input checked="" type="checkbox"/> U.S. Trustee/Bankruptcy Admin <input type="checkbox"/> Other	PARTY (Check One Box Only) <input checked="" type="checkbox"/> Debtor <input type="checkbox"/> Creditor <input type="checkbox"/> Trustee <input type="checkbox"/> U.S. Trustee/Bankruptcy Admin <input type="checkbox"/> Other			
CAUSE OF ACTION (WRITE A BRIEF STATEMENT OF CAUSE OF ACTION, INCLUDING ALL U.S. STATUTES INVOLVED) OBJECTIONS TO DISCHARGE PURSUANT TO 11 U.S.C. SECTIONS 727(A)(2),(A)(3),(A)(4) AND (A)(5)				
NATURE OF SUIT (Number up to five (5) boxes starting with lead cause of action as 1, first alternative cause as 2, second alternative cause as 3, etc.)				
<table style="width: 100%; border: none;"> <tr> <td style="vertical-align: top; width: 50%;"> FRBP 7001(1) – Recovery of Money/Property <input type="checkbox"/> 11 - Recovery of money/property - § 542 turnover of property <input type="checkbox"/> 12 - Recovery of money/property - § 547 preference <input type="checkbox"/> 13 - Recovery of money/property - § 548 fraudulent transfer <input type="checkbox"/> 14 - Recovery of money/property - other <input type="checkbox"/> FRBP 7001(2) – Validity, Priority or Extent of Lien 21 - Validity, priority or extent of lien or other interest in property <input type="checkbox"/> FRBP 7001(3) – Approval of Sale of Property 31 - Approval of sale of property of estate and of co-owner - § 363(h) <input checked="" type="checkbox"/> FRBP 7001(4) – Objection/Revocation of Discharge 41 - Objection / revocation of discharge - § 727(c),(d),(e) <input type="checkbox"/> FRBP 7001(5) – Revocation of Confirmation 51 - Revocation of confirmation <input type="checkbox"/> FRBP 7001(6) – Dischargeability <input type="checkbox"/> 66 - Dischargeability - § 523(a)(1),(14),(14A) priority tax claims <input type="checkbox"/> 62 - Dischargeability - § 523(a)(2), false pretenses, false representation, actual fraud <input type="checkbox"/> 67 - Dischargeability - § 523(a)(4), fraud as fiduciary, embezzlement, larceny (continued next column) </td> <td style="vertical-align: top; width: 50%;"> FRBP 7001(6) – Dischargeability (continued) <input type="checkbox"/> 61 - Dischargeability - § 523(a)(5), domestic support <input type="checkbox"/> 68 - Dischargeability - § 523(a)(6), willful and malicious injury <input type="checkbox"/> 63 - Dischargeability - § 523(a)(8), student loan <input type="checkbox"/> 64 - Dischargeability - § 523(a)(15), divorce or separation obligation (other than domestic support) <input type="checkbox"/> 65 - Dischargeability - other <input type="checkbox"/> FRBP 7001(7) – Injunctive Relief 71 - Injunctive relief - reinstatement of stay 72 - Injunctive relief - other <input type="checkbox"/> FRBP 7001(8) Subordination of Claim or Interest 81 - Subordination of claim or interest <input type="checkbox"/> FRBP 7001(9) Declaratory Judgment 91 - Declaratory judgment <input type="checkbox"/> FRBP 7001(10) Determination of Removed Action 01 - Determination of removed claim or cause <input type="checkbox"/> Other SS-SIPA Case – 15 U.S.C. §§ 78aaa <i>et seq.</i> <input type="checkbox"/> 02 - Other (e.g. other actions that would have been brought in state court if unrelated to bankruptcy case) </td> </tr> </table>			FRBP 7001(1) – Recovery of Money/Property <input type="checkbox"/> 11 - Recovery of money/property - § 542 turnover of property <input type="checkbox"/> 12 - Recovery of money/property - § 547 preference <input type="checkbox"/> 13 - Recovery of money/property - § 548 fraudulent transfer <input type="checkbox"/> 14 - Recovery of money/property - other <input type="checkbox"/> FRBP 7001(2) – Validity, Priority or Extent of Lien 21 - Validity, priority or extent of lien or other interest in property <input type="checkbox"/> FRBP 7001(3) – Approval of Sale of Property 31 - Approval of sale of property of estate and of co-owner - § 363(h) <input checked="" type="checkbox"/> FRBP 7001(4) – Objection/Revocation of Discharge 41 - Objection / revocation of discharge - § 727(c),(d),(e) <input type="checkbox"/> FRBP 7001(5) – Revocation of Confirmation 51 - Revocation of confirmation <input type="checkbox"/> FRBP 7001(6) – Dischargeability <input type="checkbox"/> 66 - Dischargeability - § 523(a)(1),(14),(14A) priority tax claims <input type="checkbox"/> 62 - Dischargeability - § 523(a)(2), false pretenses, false representation, actual fraud <input type="checkbox"/> 67 - Dischargeability - § 523(a)(4), fraud as fiduciary, embezzlement, larceny (continued next column)	FRBP 7001(6) – Dischargeability (continued) <input type="checkbox"/> 61 - Dischargeability - § 523(a)(5), domestic support <input type="checkbox"/> 68 - Dischargeability - § 523(a)(6), willful and malicious injury <input type="checkbox"/> 63 - Dischargeability - § 523(a)(8), student loan <input type="checkbox"/> 64 - Dischargeability - § 523(a)(15), divorce or separation obligation (other than domestic support) <input type="checkbox"/> 65 - Dischargeability - other <input type="checkbox"/> FRBP 7001(7) – Injunctive Relief 71 - Injunctive relief - reinstatement of stay 72 - Injunctive relief - other <input type="checkbox"/> FRBP 7001(8) Subordination of Claim or Interest 81 - Subordination of claim or interest <input type="checkbox"/> FRBP 7001(9) Declaratory Judgment 91 - Declaratory judgment <input type="checkbox"/> FRBP 7001(10) Determination of Removed Action 01 - Determination of removed claim or cause <input type="checkbox"/> Other SS-SIPA Case – 15 U.S.C. §§ 78aaa <i>et seq.</i> <input type="checkbox"/> 02 - Other (e.g. other actions that would have been brought in state court if unrelated to bankruptcy case)
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<input type="checkbox"/> Check if this case involves a substantive issue of state law		<input type="checkbox"/> Check if this is asserted to be a class action under FRCP 23		
<input type="checkbox"/> Check if a jury trial is demanded in complaint		Demand \$		
Other Relief Sought				

B 104 (Page 2) [08/07]

BANKRUPTCY CASE IN WHICH THIS ADVERSARY PROCEEDING ARISES		
NAME OF DEBTOR TESLA GRAY		BANKRUPTCY CASE NO. 08-10753-LA7
DISTRICT IN WHICH CASE IS PENDING SOUTHERN DISTRICT OF CALIFORNIA	DIVISIONAL OFFICE SAN DIEGO	NAME OF JUDGE LOUISE DECARL ADLER
RELATED ADVERSARY PROCEEDING (IF ANY)		
PLAINTIFF	DEFENDANT	ADVERSARY PROCEEDING NO.
DISTRICT IN WHICH ADVERSARY IS PENDING	DIVISIONAL OFFICE	NAME OF JUDGE
SIGNATURE OF ATTORNEY (OR PLAINTIFF)		
DATE 11/30/10	PRINT NAME OF ATTORNEY (OR PLAINTIFF) JEANNE C. WANLASS 	

INSTRUCTIONS

The filing of a bankruptcy case creates an "estate" under the jurisdiction of the bankruptcy court which consists of all of the property of the debtor, wherever that property is located. Because the bankruptcy estate is so extensive and the jurisdiction of the court so broad, there may be lawsuits over the property or property rights of the estate. There also may be lawsuits concerning the debtor's discharge. If such a lawsuit is filed in a bankruptcy court, it is called an adversary proceeding.

A party filing an adversary proceeding must also complete and file Form 104, the Adversary Proceeding Cover Sheet, unless the party files the adversary proceeding electronically through the court's Case Management/Electronic Case Filing system (CM/ECF). In some courts, the cover sheet is not required when the adversary proceeding is filed electronically through the court's Case Management/Electronic Case Files (CM/ECF) system. (CM/ECF captures the information on Form 104 as part of the filing process.) When completed, the cover sheet summarizes basic information on the adversary proceeding. The clerk of court needs the information to process the adversary proceeding and prepare required statistical reports on court activity.

The cover sheet and the information contained on it do not replace or supplement the filing and service of pleadings or other papers as required by law, the Bankruptcy Rules, or the local rules of court. The cover sheet, which is largely self-explanatory, must be completed by the plaintiff's attorney (or by the plaintiff if the plaintiff is not represented by an attorney). A separate cover sheet must be submitted to the clerk for each complaint filed.

Plaintiffs and Defendants. Give the names of the plaintiffs and the defendants exactly as they appear on the complaint.

Attorneys. Give the names and addresses of the attorneys, if known.

Party. Check the most appropriate box in the first column for the plaintiffs and in the second column for the defendants.

Demand. Enter the dollar amount being demanded in the complaint.

Signature. This cover sheet must be signed by the attorney of record in the box on the second page of the form. If the plaintiff is represented by a law firm, a member of the firm must sign. If the plaintiff is pro se, that is, not represented by an attorney, the plaintiff must sign.

1 JEANNE C. WANLASS, ATTORNEY #167215
2 TRIAL ATTORNEY
3 OFFICE OF THE UNITED STATES TRUSTEE
4 402 WEST BROADWAY, SUITE 600
5 SAN DIEGO, CA 92101-8511
6 (619) 557-5013

7 Attorney for
8 TIFFANY L. CARROLL
9 ACTING UNITED STATES TRUSTEE
10

11 UNITED STATES BANKRUPTCY COURT

12 Southern District of California
13

14 In re:)	Case No. 08-10753-LA7
)	
15 TESLA GRAY,)	Adversary No. _____
)	
16)	COMPLAINT TO DENY DEBTOR'S
)	DISCHARGE PURSUANT TO 11
17)	U.S.C. §§ 727(a)(2), (a)(3),
)	(a)(4), and (a)(5).
18 Debtor.)	
)	
19 _____)	
20 ACTING UNITED STATES TRUSTEE,)	
)	
21 Plaintiff,)	
)	
22 v.)	
)	
23 TESLA GRAY,)	
)	
24 Defendant.)	
)	

25 The Acting United States Trustee, complains as follows:

26 GENERAL ALLEGATIONS

27 JURISDICTION AND VENUE

28 1. This is an adversary proceeding in which the Acting United States Trustee (hereinafter "Plaintiff") objects to the discharge of the debtor TESLA GRAY (hereinafter "Defendant" or "Debtor").

1 This court has jurisdiction over this adversary proceeding pursuant
2 to 28 U.S.C. §1334, General Order 312-D of the United States
3 District Court, Southern District of California and 11 U.S.C. §727.
4 This is a core proceeding under 28 U.S.C. §157(b)(2). Venue is
5 proper in this district consistent with 28 U.S.C. §1409 as the
6 underlying bankruptcy case is being administered in this district.

7 **PARTIES**

8 2. Plaintiff is the Acting United States Trustee for Region
9 15, and has standing pursuant to 11 U.S.C. §§ 307 and 727(c) to
10 bring this complaint objecting to the discharge of Defendant.

11 3. Defendant is the Debtor in this case commenced by the
12 filing of an involuntary petition (the "Petition") under chapter 11
13 of title 11, United States Code (hereinafter the "Bankruptcy Code")
14 on October 28, 2008, (the "Petition Date"). An answer to the
15 involuntary petition was filed by the Debtor on November 18, 2008.

16 4. The Order for Relief under Chapter 11 was entered on July
17 15, 2009. On December 21, 2009, an Order was entered converting
18 this case from one under Chapter 11 to one under Chapter 7.

19 5. The Chapter 7 trustee appointed in this bankruptcy case is
20 Ronald E. Stadtmueller.

21 **FACTUAL BACKGROUND**

22 **Bankruptcy Documents Filed Under Penalty of Perjury**

23 6. On August 5, 2009, Defendant filed Schedules A-J and a
24 Statement of Financial Affairs (collectively "Initial Documents").

25 7. The Initial Documents included a "Declaration Concerning
26 Debtor's Schedules", which Defendant executed and which affirmed
27 under penalty of perjury that the information in Schedules A-J was
28 true and correct.

1 8. The Initial Documents also included a "Declaration Under
2 Penalty of Perjury by Individual Debtor", which Defendant executed
3 and which affirmed under penalty of perjury that the information in
4 Statement of Financial Affairs, and any attachments thereto, was
5 true and correct.

6 9. On August 26, 2009, Defendant filed an Amendment to
7 Schedule F ("First Amendment"), adding one creditor.

8 10. On October 7, 2009, Defendant filed an Amendment to
9 Schedules B and J, and to Statement of Financial Affairs response
10 to Questions 1 and 9 ("Second Amendment").

11 11. The Second Amendment also included a "Declaration of
12 Debtor", which Defendant executed and which affirmed under the
13 penalty of perjury that the information contained in the Second
14 Amendment was true and correct.

15 12. On February 9, 2010, Defendant filed an Amendment to the
16 Summary of Schedules and Schedules B and C ("Third Amendment").

17 13. The Third Amendment also included a "Declaration of
18 Debtor", which Defendant executed and which affirmed under the
19 penalty of perjury that the information contained in the Third
20 Amendment was true and correct.

21 14. On February 10, 2010, Defendant filed an Amendment to
22 Schedule C ("Fourth Amendment").

23 15. The Fourth Amendment also included a "Declaration of
24 Debtor", which Defendant executed and which affirmed under the
25 penalty of perjury that the information contained in the Fourth
26 Amendment was true and correct.

27 16. On February 19, 2010, Defendant filed an Amendment to
28 Schedule C ("Fifth Amendment").

1 17. The Fifth Amendment also included a "Declaration of
2 Debtor", which Defendant executed and which affirmed under the
3 penalty of perjury that the information contained in the Fifth
4 Amendment was true and correct.

5 18. In the Initial Documents, in response to Schedule B,
6 Question 16 "Accounts Receivable" Defendant answered "Notes
7 (2)/Fallbrook, CA - \$2,062,641.00". No Amendments are filed as to
8 this response.

9 19. In the Initial Documents, in response to Schedule B,
10 Question 21 "Other contingent and unliquidated claims of every
11 nature, including tax refunds, counterclaims of the debtor, and
12 rights to setoff claims" Defendant answered "Contract Receivable/
13 Oceanside, CA - 34,240,306.00". No Amendments are filed as to this
14 response.

15 20. In the Initial Documents, in response to Schedule B,
16 Question 31 "Animals" Defendant answered "None". No Amendments are
17 filed as to this response.

18 21. In the Initial Documents, in response to Schedule B,
19 Question 35 "Other personal property of any kind not already
20 listed" Defendant answered "None". No Amendments are filed as to
21 this response.

22 22. In the Initial Documents, in response to Statement of
23 Financial Affairs question number 3b - "List each payment or other
24 transfer to any creditor made within 90 days immediately preceding
25 the commencement of the case unless the aggregate value of all
26 property that constitutes or is affected by such transfer is less
27 than \$5,475" Defendant answered by listing certain credit card
28 payments and a payment to Countrywide. No Amendments are filed as

1 to this response.

2 23. In the Initial Documents, in response to Statement of
3 Financial Affairs question number 3c - "List all payments made
4 within one year immediately preceding the commencement of this case
5 to or for the benefit of creditors who are or were insiders"
6 Defendant answered "None". No Amendments are filed as to this
7 response.

8 24. In the Initial Documents, in response to Statement of
9 Financial Affairs question number 7 - "Gifts" Defendant answered
10 "None". No Amendments are filed as to this response.

11 25. In the Initial Documents, in response to Statement of
12 Financial Affairs question number 10 - "Other Transfers" Defendant
13 answered "None". No Amendments are filed as to this response.

14 26. In the Initial Documents, in response to Statement of
15 Financial Affairs question number 11 - "Closed Financial Accounts"
16 Defendant answered "None". No Amendments are filed as to this
17 response.

18 27. In the Initial Documents, in response to Statement of
19 Financial Affairs question number 18 - "Nature, location and name
20 of business" Defendant answered "TNT Hair Design" and "Desert Aire
21 LLC". No Amendments are filed as to this response.

22 **Debtor's Testimony Under Penalty Of Perjury**

23 28. On September 22, 2009, Defendant appeared and testified
24 under oath at the initial Chapter 11, 11 U.S.C. §341(a) meeting of
25 creditors ("Ch. 11 341 Meeting").

26 29. At the initial Ch. 11 341 Meeting, Defendant testified as
27 follows upon being questioned by the United States Trustee:

28 a. Defendant understood that her testimony was under

1 penalty of perjury.

2 b. Defendant cosigned for a loan from Bank of the West
3 for Ashurst Land & Cattle [LLC] and cattle were
4 purchased with that loan.

5 c. Defendant believes the cattle still exist and the
6 cattle may be on the Defendant's property.

7 d. Defendant testified she had no relationship with
8 Ashurst Land & Cattle.

9 e. Defendant may have transferred property to her
10 father in the last two years.

11 f. Defendant has disclosed all real property in this
12 preceding.

13 g. Defendant has disclosed all bank accounts in this
14 bankruptcy.

15 h. Defendant signed the Schedules and Statement of
16 Affairs.

17 I. Defendant cosigned the loan for the cattle because
18 her father said it would be a good investment.

19 j. Defendant, at one point, owned a property located
20 at 1620 Wilt Road, Fallbrook, California, but was
21 not sure if she still owned it.

22 k. Defendant does not recall ever selling the Wilt
23 Road Property.

24 l. Defendant does not know if any collection efforts
25 have been made on the two notes listed on Schedule
26 B, in response to question number 16.

27 m. Defendant has no written agreements between herself
28 and her father for services.

- n. Defendant does not know how much her father has taken for his services.
- o. Defendant does not know how much money is to be received from the Kona Brothers Coffee LLC contract referenced on Schedule G.
- p. Defendant does not know how much rent is collected from her parents Ray & Linda Gray pursuant to the lease listed on Schedule G.
- q. Defendant's hair salon business maintains a bank account with Union Bank.
- r. Defendant is in the business of real estate investment and has been investing in real estate for approximately eleven (11) years.
- s. Defendant testified she could not recall the exact number of properties she had invested during the eleven (11) years but it was "a lot".

30. On October 27, 2009, Defendant appeared and testified under oath at the continued Chapter 11, 11 U.S.C. §341(a) meeting of creditors ("October Ch. 11 341 Meeting").

31. At the October Ch. 11 341 Meeting, Defendant testified as follows:

- a. Defendant understood that her testimony was under penalty of perjury.
- b. Defendant reviewed and signed the Second Amendment before it was filed with the Court.
- c. The Defendant is not collecting rent on any real property owned by the Defendant, including the property occupied by her parents.

1 32. On January 22, 2010, Defendant appeared and testified
2 under oath at the initial Chapter 7, 11 U.S.C. §341(a) meeting of
3 creditors ("Ch. 7 341 Meeting").

4 33. After being sworn at the Ch. 7 341 Meeting, Defendant
5 testified as follows:

6 a. Defendant reviewed and signed the bankruptcy
7 paperwork before it was filed with the Court

8 b. To the best of Defendant's knowledge the bankruptcy
9 paperwork was accurate and complete.

10 34. On January 25, 2010, Defendant appeared and testified
11 under oath at the continued Chapter 7, 11 U.S.C. §341(a) meeting of
12 creditors ("January Ch. 7 341 Meeting").

13 35. At the January Ch. 7 341 Meeting, Defendant provided to
14 trustee Stadtmueller a "341(a) Meeting of Creditors Questionnaire"
15 ("341 Questionnaire"), which she completed, and in which Defendant
16 declares under the penalty of perjury that the statements contained
17 in the 341 Questionnaire are true and correct.

18 36. In response to question number one of the 341
19 Questionnaire, Defendant responded "yes" to the question: "I am
20 represented by counsel and have reviewed my Petition, Schedules and
21 Statement of Financial Affairs and they were explained to me by
22 that counsel before I signed them?"

23 37. In response to question number eight of the 341
24 Questionnaire, Defendant responded "Yes" to the question: "Within
25 four years of the filing of your bankruptcy have you made any
26 payments, or transferred any property to any person or entity other
27 than for regular monthly contract payments?".

28 38. In response to question number twelve of the 341

1 Questionnaire, Defendant responded "Yes" to the question: "Does
2 anyone and or any entity owe you any money?".

3 39. At the January Ch. 7 341 Meeting, Defendant testified as
4 follows:

5 a. Defendant understood that her testimony was under
6 penalty of perjury.

7 b. In regards, to 341 Questionnaire, question 8,
8 Defendant testified there was a collection action
9 transferred that was previously listed on Schedule
10 B, line 18. This is the only transfer Defendant
11 could recall that is responsive.

12 c. Defendant has not had, in the past four years, any
13 interests in any other corporations, partnerships,
14 LPs or LLCs, other than those listed on Statement
15 of Financial Affairs, question number 18.

16 d. In regards, to 341 Questionnaire, question 12,
17 Defendant testified that other than the amounts
18 listed on Schedule B, paragraphs 16, 18 and 21, no
19 other entity or person owed her money on the date
20 of the filing of the involuntary petition.

21 e. Defendant is the beneficiary of the Wilt Road
22 Trust.

23 f. Defendant testified that other than the eight
24 parcels of property listed on Schedule A, she did
25 not own any other real properties on the date of
26 the filing of the involuntary petition.

27 //

28 //

Transfers to Ashurst Land & Cattle LLC

40. The United States Trustee is informed and believes that Ashurst Land & Cattle LLC is a company wholly owned by Defendant's parents, Ray Gray & Linda Gray.

41. The United States Trustee is informed and believes that the business address of Ashurst Land & Cattle LLC, is 2656 Vista De Palomar, Fallbrook, CA 92028, which is real property owned by the Defendant.

42. The United States Trustee is informed and believes that on or about November 7, 2007, Defendant transferred \$40,000 to Ashurst Land & Cattle LLC.

43. The United States Trustee is informed and believes that on or about May 13, 2008, Defendant transferred \$6,000 to Ashurst Land & Cattle LLC.

Transfers and Loans to Pfau Pfau & Pfau LLC

44. The United States Trustee is informed and believes that on or about September 13, 2005, Defendant transferred \$705,107.75 to an escrow company for the benefit of Pfau Pfau & Pfau LLC.

45. The United States Trustee is informed and believes that on or about April 10, 2006, Defendant transferred \$50,000 to Pfau Pfau & Pfau LLC.

46. The United States Trustee is informed and believes that on or about May 1, 2006, Defendant transferred \$250,000 to Pfau Pfau & Pfau LLC.

47. The United States Trustee is informed and believes that on or about May 25, 2006, Defendant transferred \$200,000 to Pfau Pfau & Pfau LLC.

48. The United States Trustee is informed and believes that

1 on or about April 30, 2007, Defendant transferred \$100,000 to Pfau
2 Pfau & Pfau LLC.

3 49. The United States Trustee is informed and believes that
4 on or about June 14, 2007, Defendant loaned \$100,000 to Pfau Pfau
5 & Pfau LLC.

6 50. The United States Trustee is informed and believes that
7 on or about September 11, 2007, Defendant transferred \$100,000 to
8 Pfau Pfau & Pfau LLC.

9 51. The United States Trustee is informed and believes that
10 on or about October 17, 2007, Defendant loaned \$100,000 to Pfau
11 Pfau & Pfau LLC.

12 52. The United States Trustee is informed and believes that
13 on or about November 7, 2007, Defendant loaned \$100,000 to Pfau
14 Pfau & Pfau LLC.

15 53. The United States Trustee is informed and believes that
16 on or about January 11, 2008, Defendant transferred \$25,000 to Pfau
17 Pfau & Pfau LLC.

18 54. The United States Trustee is informed and believes that
19 on or about September 25, 2008, Defendant transferred \$10,000 to
20 Pfau Pfau & Pfau LLC.

21 55. The United States Trustee is informed and believes that
22 Pfau Pfau & Pfau LLC is a company wholly owned by the Defendant's
23 father, Ray Gray.

24 **Transfers and Loans to Defendant's Father**

25 56. The United States Trustee is informed and believes that
26 on or about September 13, 2005, Defendant transferred \$294,892.25
27 to her father, Ray Gray.

28 57. The United States Trustee is informed and believes that

1 on or about December 22, 2005, Defendant transferred \$275,000 to
2 her father, Ray Gray.

3 58. The United States Trustee is informed and believes that
4 on or about January 26, 2006, Defendant transferred \$200,000 to her
5 father, Ray Gray.

6 59. The United States Trustee is informed and believes that
7 on or about May 17, 2006, Defendant transferred \$100,000 to Express
8 Escrow Co. for the benefit of her father, Ray Gray.

9 60. The United States Trustee is informed and believes that
10 on or about May 17, 2006, Defendant transferred \$200,000 to her
11 father, Ray Gray.

12 61. The United States Trustee is informed and believes that
13 on or about June 8, 2006, Defendant transferred \$100,000 to her
14 father, Ray Gray.

15 62. The United States Trustee is informed and believes that
16 on or about May 1, 2007, Defendant loaned \$100,000 to her father,
17 Ray Gray.

18 63. The United States Trustee is informed and believes that
19 on or about May 18, 2007, Defendant transferred \$110,000 to her
20 father, Ray Gray.

21 64. The United States Trustee is informed and believes that
22 on or about August 31, 2007, Defendant transferred \$300,000 to
23 Stewart Title for the benefit of her father, Ray Gray.

24 **Transfers for 700 Atterbury Property**

25 65. The United States Trustee is informed and believes that
26 on or about August 6, 2007, Defendant transferred \$100,000 to First
27 American Title for escrow on the property known as "700 Atterbury,
28 San Marcos".

1 66. The United States Trustee is informed and believes that
2 on or about November 7, 2007, Defendant transferred \$10,000 to
3 First American Title for escrow on the property known as "700
4 Atterbury, San Marcos".

5 67. The United States Trustee is informed and believes that
6 on or about January 11, 2008, Defendant transferred \$11,000 to
7 First American Title for escrow on the property known as "700
8 Atterbury, San Marcos".

9 **Undisclosed Accounts**

10 68. The United States Trustee is informed and believes that
11 in October 2008, Defendant maintained a checking account for her
12 business TNT Hair Design, at Union Bank of California.

13 69. The United States Trustee is informed and believes that
14 in October 2008, Defendant maintained a bank account with Union
15 Bank of California (7541).

16 70. The United States Trustee is informed and believes that
17 in October 2008, Defendant maintained a bank account with Temecula
18 Valley Bank (8641).

19 71. The United States Trustee is informed and believes that
20 in October 2008, Defendant maintained a bank account with Canyon
21 National Bank (2376).

22 72. The United States Trustee is informed and believes that
23 in October 2008, Defendant maintained a bank account with San Diego
24 County Credit Union.

25 73. The United States Trustee is informed and believes that
26 on October 28, 2008, Defendant had a deposit CD with San Diego
27 County Credit Union in the amount of \$25,000.

28 74. The United States Trustee is informed and believes that

1 Defendant maintained a bank account with Pacific Western Bank
2 (4323), which account was closed in May 2008.

3 75. The United States Trustee is informed and believes that
4 in October 2008, Defendant maintained an account with AG Edwards
5 (7599).

6 **Undisclosed Property/Transfers to Kona Brothers Coffee LLC**

7 76. The United States Trustee is informed and believes that
8 on or about October 16, 2008, Defendant, for no consideration,
9 assigned a Deed of Trust, secured by real property in San Marcos,
10 California (A.P.N.: 222-350-27-00) ("the San Marcos Deed") to Kona
11 Brothers Coffee LLC.

12 77. The United States Trustee is informed and believes that
13 the San Marcos Deed secured a loan in the face amount of \$284,000.

14 78. The United States Trustee is informed and believes that
15 the San Marcos property was sold by Defendant in January 2008 for
16 \$420,000.

17 79. The United States Trustee is informed and believes that
18 on or about October 23, 2008, Defendant transferred \$75,000 to Kona
19 Brothers Coffee LLC.

20 80. The United States Trustee is informed and believes that
21 on October 28, 2008, Defendant owned a piece of real property
22 identified as APN #811-030-018.

23 81. The United States Trustee is informed and believes that
24 in February 2009, Defendant transferred a piece of real property
25 (APN #811-030-018) to Kona Brothers Coffee LLC.

26 //

27 //

28 //

Additional Undisclosed Property

82. The United States Trustee is informed and believes that in December 2008, Defendant deeded a piece of real property to the Harmon Trust, recorded with the Riverside County recorder as Doc. 2008-0646196.

83. The United States Trustee is informed and believes that on October 28, 2008, Defendant owned a piece of real property identified as APN #659-220-005.

84. The United States Trustee is informed and believes that on or about July 16, 2009, Defendant deeded a piece of real property (APN: 659-220-005) to Panoche Valley LLC, recorded with the Riverside County recorder as Doc. 2009-0367946.

85. The United States Trustee is informed and believes that on October 28, 2008, Defendant owned a piece of real property identified as APN #326-193-024.

86. The United States Trustee is informed and believes that on or about July 16, 2009, Defendant deeded a piece of real property (APN: 326-193-024) to Panoche Valley LLC, recorded with the Riverside County recorder as Doc. 2009-0367947.

87. Plaintiff is informed and believes that on or about April 6, 2009, Defendant transferred certain real property identified by document #2009-0166699 with the Riverside County Recorder's Office to De Luz Real Estate Inc.

88. The United States Trustee is informed and believes that in October 2008, Defendant was the beneficiary of The 1620 Wilt Road Trust, No. 200801461, Dated 02/01/2008.

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CLAIMS FOR RELIEF

FIRST CAUSE OF ACTION

DENIAL OF DISCHARGE 11 U.S.C. §727(a)(2)

(Concealment of Loans)

89. Plaintiff incorporates by reference paragraphs 1 through 88 above, inclusive, as though fully set forth herein.

90. The Initial Documents included a "Declaration Concerning Debtor's Schedules", which Defendant executed and which affirmed under penalty of perjury that the information in Schedules A-J was true and correct. The Initial Documents also included a "Declaration Under Penalty of Perjury by Individual Debtor", which Defendant executed and which affirmed under penalty of perjury that the information in Statement of Financial Affairs, and any attachments thereto, was true and correct. The Debtor testified at her meeting of creditors that she listed all of her assets in her bankruptcy papers.

91. Plaintiff is informed and believes that on or about June 24, 2007, the Debtor loaned \$100,000 to Pfau Pfau & Pfau LLC.

92. Plaintiff is informed and believes that on or about October 17, 2007, the Debtor loaned \$100,000 to Pfau Pfau & Pfau LLC.

93. Plaintiff is informed and believes that on or about November 7, 2007, the Debtor loaned \$100,000 to Pfau Pfau & Pfau LLC.

94. Plaintiff is informed and believes that on or about May 1, 2007, the Debtor loaned \$100,000 to her father, Ray Gray.

95. The Debtor did not list these loans or accounts

1 receivable on her Schedule B or any amendments thereto.

2 96. The Debtor, with intent to hinder, delay, or defraud a
3 creditor or an officer of the estate charged with custody of
4 property under title 11, concealed, or permitted to be
5 concealed, the loans in the total amount of \$400,000, which were
6 property of the Debtor, within one year before the date of the
7 filing of the petition.

8 97. Alternatively, the Debtor, with intent to hinder,
9 delay, or defraud a creditor or an officer of the estate charged
10 with custody of property under title 11, concealed, or permitted
11 to be concealed, the loans in the total amount of \$400,000,
12 which were property of the estate, after the date of the filing
13 of her petition.

14 98. Plaintiff therefore objects to the discharge of the
15 Debtor pursuant to 11 U.S.C. Section 727(a)(2).

16 **SECOND CAUSE OF ACTION**

17 **DENIAL OF DISCHARGE 11 U.S.C. §727(a)(2)**

18 **(Concealment/Transfer of Property)**

19 99. Plaintiff incorporates by reference paragraphs 1
20 through 88 above, inclusive, as though fully set forth herein.

21 100. The Initial Documents included a "Declaration
22 Concerning Debtor's Schedules", which Defendant executed and
23 which affirmed under penalty of perjury that the information in
24 Schedules A-J was true and correct. The Initial Documents also
25 included a "Declaration Under Penalty of Perjury by Individual
26 Debtor", which Defendant executed and which affirmed under
27 penalty of perjury that the information in Statement of
28 Financial Affairs, and any attachments thereto, was true and

1 correct. The Debtor testified at her meeting of creditors that
2 she listed all of her assets in her bankruptcy papers.

3 101. Plaintiff is informed and believes that in December
4 2008, Defendant deeded a piece of real property to the Harmon
5 Trust, recorded with the Riverside County recorder as document
6 number 2008-0646196 (the "Riverside County Property").

7 102. The Debtor did not list this property on her Schedule
8 B, Statement of Financial Affairs, or any amendments thereto.

9 103. The Debtor, with intent to hinder, delay, or defraud
10 a creditor or an officer of the estate charged with custody of
11 property under title 11, concealed, or permitted to be
12 concealed, and transferred, or permitted to be transferred, the
13 Riverside County Property, which was property of the Debtor,
14 within one year before the date of the filing of the petition.

15 104. Alternatively, the Debtor, with intent to hinder,
16 delay, or defraud a creditor or an officer of the estate charged
17 with custody of property under title 11, concealed, or permitted
18 to be concealed, and transferred, or permitted to be
19 transferred, the Riverside County Property, which was property
20 of the estate, after the date of the petition.

21 105. Plaintiff therefore objects to the discharge of the
22 Debtor pursuant to 11 U.S.C. Section 727(a)(2).

23 **THIRD CAUSE OF ACTION**

24 **DENIAL OF DISCHARGE 11 U.S.C. §727(a)(2)**

25 **(Concealment/Transfer of Property)**

26 106. Plaintiff incorporates by reference paragraphs 1
27 through 88 above, inclusive, as though fully set forth herein.

28 107. The Initial Documents included a "Declaration

1 Concerning Debtor's Schedules", which Defendant executed and
2 which affirmed under penalty of perjury that the information in
3 Schedules A-J was true and correct. The Initial Documents also
4 included a "Declaration Under Penalty of Perjury by Individual
5 Debtor", which Defendant executed and which affirmed under
6 penalty of perjury that the information in Statement of
7 Financial Affairs, and any attachments thereto, was true and
8 correct. The Debtor testified at her meeting of creditors that
9 she listed all of her assets in her bankruptcy papers.

10 108. Plaintiff is informed and believes that on or about
11 April 6, 2009, Defendant transferred certain real property
12 identified by document #2009-0166699 with the Riverside County
13 Recorder's Office to De Luz Real Estate Inc.

14 109. The Debtor did not list this property on her Schedule
15 B, Statement of Financial Affairs or any amendments thereto.

16 110. The Debtor, with intent to hinder, delay, or defraud
17 a creditor or an officer of the estate charged with custody of
18 property under title 11, concealed, or permitted to be
19 concealed, and transferred, or permitted to be transferred, this
20 property, which was property of the Debtor, and its transfer
21 within one year before the date of the filing of the petition.

22 111. Alternatively, the Debtor, with intent to hinder,
23 delay, or defraud a creditor or an officer of the estate charged
24 with custody of property under title 11, concealed, or permitted
25 to be concealed, and transferred or permitted to be transferred,
26 this property, which was property of the estate, after the date
27 of the petition.

28 112. Plaintiff therefore objects to the discharge of the

Debtor pursuant to 11 U.S.C. Section 727(a)(2).

FOURTH CAUSE OF ACTION

DENIAL OF DISCHARGE 11 U.S.C. §727(a)(2)

(Concealment/Transfer of Property)

113. Plaintiff incorporates by reference paragraphs 1 through 88 above, inclusive, as though fully set forth herein.

114. The Initial Documents included a "Declaration Concerning Debtor's Schedules", which Defendant executed and which affirmed under penalty of perjury that the information in Schedules A-J was true and correct. The Initial Documents also included a "Declaration Under Penalty of Perjury by Individual Debtor", which Defendant executed and which affirmed under penalty of perjury that the information in Statement of Financial Affairs, and any attachments thereto, was true and correct. The Debtor testified at her meeting of creditors that she listed all of her assets in her bankruptcy papers.

115. United States Trustee is informed and believes that on October 28, 2008, Defendant owned a piece of real property identified as APN #659-220-005.

116. The United States Trustee is informed and believes that on or about July 16, 2009, Defendant deeded a piece of real property (APN: 659-220-005) to Panoche Valley LLC, recorded with the Riverside County recorder as Doc. 2009-0367946.

117. The United States Trustee is informed and believes that on October 28, 2008, Defendant owned a piece of real property identified as APN #326-193-024.

118. The United States Trustee is informed and believes that on or about July 16, 2009, Defendant deeded a piece of

1 real property (APN: 326-193-024) to Panoche Valley LLC, recorded
2 with the Riverside County recorder as Doc. 2009-0367947.

3 119. The Debtor did not list these properties on her
4 Schedule B or any amendments thereto.

5 120. The Debtor, with intent to hinder, delay, or defraud
6 a creditor or an officer of the estate charged with custody of
7 property under title 11, concealed, or permitted to be
8 concealed, and transferred, or permitted to be transferred, this
9 property, which were property of the Debtor, and its transfer
10 within one year before the date of the filing of the petition.

11 121. Alternatively, the Debtor, with intent to hinder,
12 delay, or defraud a creditor or an officer of the estate charged
13 with custody of property under title 11, concealed, or permitted
14 to be concealed, and transferred or permitted to be transferred,
15 these properties, which were property of the estate, after the
16 date of the petition.

17 122. Plaintiff therefore objects to the discharge of the
18 Debtor pursuant to 11 U.S.C. Section 727(a)(2).

19 **FIFTH CAUSE OF ACTION**

20 **DENIAL OF DISCHARGE 11 U.S.C. §727(a)(2)**

21 **(Concealment/Transfer of Property)**

22 123. Plaintiff incorporates by reference paragraphs 1
23 through 88 above, inclusive, as though fully set forth herein.

24 124. The Initial Documents included a "Declaration
25 Concerning Debtor's Schedules", which Defendant executed and
26 which affirmed under penalty of perjury that the information in
27 Schedules A-J was true and correct. The Initial Documents also
28 included a "Declaration Under Penalty of Perjury by Individual

Debtor", which Defendant executed and which affirmed under penalty of perjury that the information in Statement of Financial Affairs, and any attachments thereto, was true and correct. The Debtor testified at her meeting of creditors that she listed all of her assets in her bankruptcy papers.

125. Plaintiff is informed and believes that on or about October 28, 2008, Defendant owned a piece of real property identified as A.P.N. # 811-030-018.

126. The United States Trustee is further informed and believes that in February 2009, Defendant transferred a piece of real property (APN #811-030-018) to Kona Brothers Coffee LLC.

127. The Debtor did not list this real property on her Schedule B or any amendments thereto.

128. The Debtor did not list this property as any type of transfer on the Debtor's Statement of Financial Affairs or any amendments thereto.

129. The Debtor, with intent to hinder, delay, or defraud a creditor or an officer of the estate charged with custody of property under title 11, concealed, or permitted to be concealed, and transferred, or permitted to be transferred, this property, which was property of the Debtor within one year before the date of the filing of the petition.

130. Alternatively, the Debtor, with intent to hinder, delay, or defraud a creditor or an officer of the estate charged with custody of property under title 11, concealed, or permitted to be concealed, and transferred, or permitted to be transferred, this property, which was property of the estate, after the date of the petition.

1 131. Plaintiff therefore objects to the discharge of the
2 Debtor pursuant to 11 U.S.C. Section 727(a)(2).

3 **SIXTH CAUSE OF ACTION**

4 **DENIAL OF DISCHARGE 11 U.S.C. §727(a)(2)**

5 **(Concealment of Property)**

6 132. Plaintiff incorporates by reference paragraphs 1
7 through 88 above, inclusive, as though fully set forth herein.

8 133. The Initial Documents included a "Declaration
9 Concerning Debtor's Schedules", which Defendant executed and
10 which affirmed under penalty of perjury that the information in
11 Schedules A-J was true and correct. The Initial Documents also
12 included a "Declaration Under Penalty of Perjury by Individual
13 Debtor", which Defendant executed and which affirmed under
14 penalty of perjury that the information in Statement of
15 Financial Affairs, and any attachments thereto, was true and
16 correct. The Debtor testified at her meeting of creditors that
17 she listed all of her assets in her bankruptcy papers.

18 134. The Defendant admitted that she cosigned for a loan
19 from Bank of the West for Ashurst Land & Cattle [LLC] and that
20 cattle were purchased with that loan as an investment.

21 135. The Defendant testified that she believes the cattle
22 still exist and the cattle may be on the Defendant's property.

23 136. Defendant testified she had no relationship with
24 Ashurst Land & Cattle.

25 137. The Debtor did not list the cattle or the investment
26 therein on her Schedule B or any amendments thereto.

27 138. The Debtor, with intent to hinder, delay, or defraud
28 a creditor or an officer of the estate charged with custody of

1 property under title 11, concealed, or permitted to be
2 concealed, these cattle or the investment therein, which were
3 property of the Debtor within one year before the date of the
4 filing of the petition.

5 139. Alternatively, the Debtor, with intent to hinder,
6 delay, or defraud a creditor or an officer of the estate charged
7 with custody of property under title 11, concealed, or permitted
8 to be concealed, these cattle or the investment therein, which
9 were property of the estate, after the date of the petition.

10 140. Plaintiff therefore objects to the discharge of the
11 Debtor pursuant to 11 U.S.C. Section 727(a)(2).

12 **SEVENTH CAUSE OF ACTION**

13 **DENIAL OF DISCHARGE 11 U.S.C. §727(a)(2)**

14 **(Concealment of Accounts)**

15 141. Plaintiff incorporates by reference paragraphs 1
16 through 88 above, inclusive, as though fully set forth herein.

17 142. The Initial Documents included a "Declaration
18 Concerning Debtor's Schedules", which Defendant executed and
19 which affirmed under penalty of perjury that the information in
20 Schedules A-J was true and correct. The Initial Documents also
21 included a "Declaration Under Penalty of Perjury by Individual
22 Debtor", which Defendant executed and which affirmed under
23 penalty of perjury that the information in Statement of
24 Financial Affairs, and any attachments thereto, was true and
25 correct. The Debtor testified at her meeting of creditors that
26 she listed all of her assets in her bankruptcy papers.

27 143. As of the filing date of her petition, the Defendant
28 owned a checking account for TNT Hair Design at Union Bank of

1 California.

2 144. As of the filing date of her petition, the Defendant
3 owned a bank account ending in 7541 at Union Bank of California.

4 145. As of the filing date of her petition, the Defendant
5 owned a bank account ending in 8641 at Temecula Valley Bank.

6 146. As of the filing date of her petition, the Defendant
7 owned a bank account ending in 2376 at Canyon National Bank.

8 147. As of the filing date of her petition, the Defendant
9 had a certificate of deposit with San Diego County Credit Union
10 in the amount of \$25,000.

11 148. As of the filing date of her petition, the Defendant
12 had an account with AG Edwards ending in 7599.

13 149. The Debtor did not list these accounts on her
14 Schedule B or any amendments thereto. The Debtor did not list
15 these accounts as closed on her Statement of Financial Affairs,
16 question no. 11.

17 150. The Debtor, with intent to hinder, delay, or defraud
18 a creditor or an officer of the estate charged with custody of
19 property under title 11, concealed, or permitted to be
20 concealed, these accounts, which were property of the Debtor
21 within one year before the date of the filing of the petition.

22 151. Alternatively, the Debtor, with intent to hinder,
23 delay, or defraud a creditor or an officer of the estate charged
24 with custody of property under title 11, concealed, or permitted
25 to be concealed, these accounts, which were property of the
26 estate, and after the date of the petition.

27 152. Plaintiff therefore objects to the discharge of the
28 Debtor pursuant to 11 U.S.C. Section 727(a)(2).

EIGHTH CAUSE OF ACTION

DENIAL OF DISCHARGE 11 U.S.C. §727(a)(2)

(Concealment of Property)

153. Plaintiff incorporates by reference paragraphs 1 through 88 above, inclusive, as though fully set forth herein.

154. The Initial Documents included a "Declaration Concerning Debtor's Schedules", which Defendant executed and which affirmed under penalty of perjury that the information in Schedules A-J was true and correct. The Initial Documents also included a "Declaration Under Penalty of Perjury by Individual Debtor", which Defendant executed and which affirmed under penalty of perjury that the information in Statement of Financial Affairs, and any attachments thereto, was true and correct. The Debtor testified at her meeting of creditors that she listed all of her assets in her bankruptcy papers.

155. As of October 2008, Defendant was a beneficiary of the 1620 Wilt Road Trust, No. 200801461, Dated 02/01/2008.

156. The Debtor did not list her interest in this trust on her Schedule B or any amendments thereto.

157. The Debtor, with intent to hinder, delay, or defraud a creditor or an officer of the estate charged with custody of property under title 11, concealed, or permitted to be concealed, her interest in this trust, which was property of the Debtor within one year before the date of the filing of the petition.

158. Alternatively, the Debtor, with intent to hinder, delay, or defraud a creditor or an officer of the estate charged with custody of property under title 11, concealed, or permitted

1 to be concealed, her interest in this trust, which was property
2 of the estate, after the date of the petition.

3 159. Plaintiff therefore objects to the discharge of the
4 Debtor pursuant to 11 U.S.C. Section 727(a)(2).

5 **NINTH CAUSE OF ACTION**

6 **DENIAL OF DISCHARGE 11 U.S.C. §727(a)(2)**

7 **(Transfer of Property)**

8 160. Plaintiff incorporates by reference paragraphs 1
9 through 88 above, inclusive, as though fully set forth herein.

10 161. The United States Trustee is informed and believes
11 that certain real property in San Marcos, California (A.P.N.:
12 222-350-27-00) was sold by Defendant in January 2008 for
13 \$420,000.

14 162. The United States Trustee is informed and believes
15 that on or about October 16, 2008, Defendant, for no
16 consideration, assigned a Deed of Trust, secured by the real
17 property in San Marcos, California (A.P.N.: 222-350-27-00) ("the
18 San Marcos Deed") to Kona Brothers Coffee LLC.

19 163. The United States Trustee is informed and believes
20 that the San Marcos Deed secured a loan in the face amount of
21 \$284,000.

22 164. The Initial Documents included a "Declaration
23 Concerning Debtor's Schedules", which Defendant executed and
24 which affirmed under penalty of perjury that the information in
25 Schedules A-J was true and correct. The Initial Documents also
26 included a "Declaration Under Penalty of Perjury by Individual
27 Debtor", which Defendant executed and which affirmed under
28 penalty of perjury that the information in Statement of

1 Financial Affairs, and any attachments thereto, was true and
2 correct. The Debtor did not disclose the transfer of the San
3 Marcos Deed on her Statement of Financial Affairs or any
4 amendments thereto.

5 165. The Debtor, with intent to hinder, delay, or defraud
6 a creditor or an officer of the estate charged with custody of
7 property under title 11, concealed, or permitted to be
8 concealed, and transferred, or permitted to be transferred, her
9 interest in the San Marcos Deed and the real property in San
10 Marcos, California (A.P.N.: 222-350-27-00), which was property
11 of the Debtor, within one year before the date of the filing of
12 the petition.

13 166. Alternatively, the Debtor, with intent to hinder,
14 delay, or defraud a creditor or an officer of the estate charged
15 with custody of property under title 11, concealed, or permitted
16 to be concealed, and transferred, or permitted to be
17 transferred, her interest in the San Marcos Deed and the real
18 property in San Marcos, California (A.P.N.: 222-350-27-00),
19 which was property of the estate, after the date of the
20 petition.

21 167. Plaintiff therefore objects to the discharge of the
22 Debtor pursuant to 11 U.S.C. Section 727(a)(2).

23 **TENTH CAUSE OF ACTION**

24 **DENIAL OF DISCHARGE 11 U.S.C. §727(a)(4)**

25 **(False Oath)**

26 168. Plaintiff incorporates by reference paragraphs 1
27 through 88 above, inclusive, as though fully set forth herein.

28 169. The Initial Documents included a "Declaration

Concerning Debtor's Schedules", which Defendant executed and which affirmed under penalty of perjury that the information in Schedules A-J was true and correct. The Initial Documents also included a "Declaration Under Penalty of Perjury by Individual Debtor", which Defendant executed and which affirmed under penalty of perjury that the information in Statement of Financial Affairs, and any attachments thereto, was true and correct.

170. Defendant stated under oath on Statement of Financial Affairs, No. 3c, that no payments were made within one year immediately preceding the Petition Date to or for the benefit of creditors who are or were insiders.

171. Plaintiff is informed and believes that the Defendant made the following transfers or payments to insiders:

- a. On November 7, 2007, Defendant transferred \$40,000 to Ashurst Land & Cattle LLC;
- b. On May 13, 2008, Defendant transferred \$6,000 to Ashurst Land & Cattle LLC;
- c. On November 7, 2007, Defendant loaned \$100,000 to Pfau Pfau & Pfau LLC;
- d. On January 11, 2008, Defendant transferred \$25,000 to Pfau Pfau & Pfau LLC;
- e. On September 25, 2008, Defendant transferred \$10,000 to Pfau Pfau & Pfau LLC;
- f. On October 23, 2008, Defendant transferred \$75,000 to Kona Brothers Coffee LLC.

172. Defendant falsely stated under oath on Statement of Financial Affairs, No. 3c, that no payments were made within one

1 year immediately preceding the Petition Date to creditors who
2 were insiders, when in actuality Defendant had transferred the
3 funds listed above.

4 173. Consequently Defendant, knowingly and fraudulently,
5 and under penalty of perjury, falsely affirmed on her
6 "Declaration Under Penalty of Perjury by Individual Debtor",
7 that the information contained in the Statement of Financial
8 Affairs was true and correct.

9 174. Plaintiff therefore objects to the discharge of
10 Defendant pursuant to 11 U.S.C. §727(a)(4).

11 **ELEVENTH CAUSE OF ACTION**

12 **DENIAL OF DISCHARGE 11 U.S.C. §727(a)(4)**

13 **(False Oath)**

14 175. Plaintiff incorporates by reference paragraphs 1
15 through 88 above, inclusive, as though fully set forth herein.

16 176. The Initial Documents included a "Declaration
17 Concerning Debtor's Schedules", which Defendant executed and
18 which affirmed under penalty of perjury that the information in
19 Schedules A-J was true and correct. The Initial Documents also
20 included a "Declaration Under Penalty of Perjury by Individual
21 Debtor", which Defendant executed and which affirmed under
22 penalty of perjury that the information in Statement of
23 Financial Affairs, and any attachments thereto, was true and
24 correct.

25 177. Defendant stated under oath on Statement of Financial
26 Affairs, No. 10, that no property was transferred either
27 absolutely or as security within two years immediately preceding
28 the Petition Date other than property transferred in the

1 ordinary course of the business or financial affairs of the
2 debtor.

3 178. Defendant stated under oath on her Schedule B that
4 her only two business interests were in TNT Hair Design and
5 Desert Aire LLC. Furthermore, Defendant stated under oath on
6 Statement of Financial Affairs, No. 18, her only two businesses
7 in the six years before the Petition Date were TNT Hair Design
8 and Desert Aire LLC.

9 179. Plaintiff is informed and believes that the Defendant
10 made the following transfers:

- 11 a. On November 7, 2007, Defendant transferred
12 \$40,000 to Ashurst Land & Cattle LLC;
- 13 b. On May 13, 2008, Defendant transferred \$6,000 to
14 Ashurst Land & Cattle LLC;
- 15 c. On April 30, 2007, Defendant transferred \$100,000
16 to Pfau Pfau & Pfau LLC;
- 17 d. On June 14, 2007, Defendant loaned \$100,000 to
18 Pfau Pfau & Pfau LLC;
- 19 e. On September 11, 2007, Defendant transferred
20 \$100,000 to Pfau Pfau & Pfau LLC;
- 21 f. On October 17, 2007, Defendant loaned \$100,000 to
22 Pfau Pfau & Pfau LLC;
- 23 g. On November 7, 2007, Defendant loaned \$100,000 to
24 Pfau Pfau & Pfau LLC;
- 25 h. On January 11, 2008, Defendant transferred
26 \$25,000 to Pfau Pfau & Pfau LLC;
- 27 i. On September 25, 2008, Defendant transferred
28 \$10,000 to Pfau Pfau & Pfau LLC;

j. On May 18, 2007, Defendant transferred \$110,000 to her father, Ray Gray;

k. On August 31, 2007, Defendant transferred \$300,000 to Stewart Title for the benefit of her father, Ray Gray;

l. On August 6, 2007, Defendant transferred \$100,000 to First American Title for escrow on the real property described as 700 Atterbury, San Marcos;

m. On November 7, 2007, Defendant transferred \$10,000 to First American Title for escrow on the real property described as 700 Atterbury, San Marcos;

n. On January 11, 2008, Defendant transferred \$11,000 to First American Title for escrow on the real property commonly known as 700 Atterbury, San Marcos;

o. On October 23, 2008, Defendant transferred \$75,000 to Kona Brothers Coffee LLC.

180. Defendant falsely stated under oath on Statement of Financial Affairs, No. 10, that no property was transferred either absolutely or as security within two years immediately preceding the Petition Date outside the ordinary course of business or financial affairs of the debtor, when in actuality Defendant had transferred the property and funds listed above.

181. Alternatively, Defendant falsely stated under oath on her Schedule B and her Statement of Financial Affairs, No. 18, that her only business interests were in TNT Hair Salon and Desert Aire LLC.

1 182. Consequently Defendant, knowingly and fraudulently,
2 and under penalty of perjury, falsely affirmed on her
3 "Declaration Under Penalty of Perjury by Individual Debtor",
4 that the information contained in the Statement of Financial
5 Affairs was true and correct.

6 183. Plaintiff therefore objects to the discharge of
7 Defendant pursuant to 11 U.S.C. §727(a)(4).

8 **TWELFTH CAUSE OF ACTION**

9 **DENIAL OF DISCHARGE 11 U.S.C. §727(a)(4)**

10 **(False Oath)**

11 184. Plaintiff incorporates by reference paragraphs 1
12 through 88 above, inclusive, as though fully set forth herein.

13 185. On January 25, 2010, Defendant appeared and testified
14 under oath at the continued Chapter 7, 11 U.S.C. §341(a) meeting
15 of creditors ("January Ch. 7 341 Meeting").

16 186. At the January Ch. 7 341 Meeting, Defendant provided
17 to trustee Stadtmueller a "341(a) Meeting of Creditors
18 Questionnaire" ("341 Questionnaire"), which she completed, and
19 in which Defendant declares under the penalty of perjury that
20 the statements contained in the 341 Questionnaire are true and
21 correct.

22 187. In response to question number one of the 341
23 Questionnaire, Defendant responded "yes" to the question: "I am
24 represented by counsel and have reviewed my Petition, Schedules
25 and Statement of Financial Affairs and they were explained to me
26 by that counsel before I signed them?"

27 188. In response to question number eight of the 341
28 Questionnaire, Defendant responded "Yes" to the question:

1 "Within four years of the filing of your bankruptcy have you
2 made any payments, or transferred any property to any person or
3 entity other than for regular monthly contract payments?".

4 189. At the January Ch. 7 341 Meeting, Defendant testified
5 as follows:

- 6 a. Defendant understood that her testimony was under
7 penalty of perjury.
- 8 b. In regards, to 341 Questionnaire, question 8,
9 Defendant testified there was a collection action
10 transferred that was previously listed on
11 Schedule B, line 18. This is the only transfer
12 Defendant could recall that was responsive.

13 190. Plaintiff is informed and believes that the Defendant
14 made the following transfers:

- 15 a. On or about April 6, 2009, transfer to De Luz
16 Real Estate Inc.;
- 17 b. On or about July 2009, transfer to Kona Brothers
18 Coffee LLC;
- 19 c. On or about July 2009, transfer of two (2) pieces
20 of real property to Panoche Valley LLC;
- 21 d. On or about November 7, 2007, transfer of \$40,000
22 to Ashurst Land & Cattle LLC;
- 23 e. On or about May 13, 2008, transfer of \$6,000 to
24 Ashurst Land & Cattle LLC;
- 25 f. On or about September 13, 2005, transfer of
26 \$705,107.75 to an escrow company for the benefit
27 of Pfau Pfau & Pfau LLC;
- 28 g. On or about April 10, 2006, transfer of \$50,000

- 1 to Pfau Pfau & Pfau LLC;
- 2 h. On or about May 1, 2006, transfer of \$250,000 to
- 3 Pfau Pfau & Pfau LLC;
- 4 i. On or about May 25, 2006, transfer of \$200,000 to
- 5 Pfau Pfau & Pfau LLC;
- 6 j. On or about April 30, 2007, transfer of \$100,000
- 7 to Pfau Pfau & Pfau LLC;
- 8 k. On or about June 14, 2007, loan of \$100,000 to
- 9 Pfau Pfau & Pfau LLC;
- 10 l. On or about September 11, 2007, transfer of
- 11 \$100,000 to Pfau Pfau & Pfau LLC;
- 12 m. On or about October 17, 2007, loan of \$100,000 to
- 13 Pfau Pfau & Pfau LLC;
- 14 n. On or about November 7, 2007, loan of \$100,000 to
- 15 Pfau Pfau & Pfau LLC;
- 16 o. On or about January 11, 2008, transfer of \$25,000
- 17 to Pfau Pfau & Pfau LLC;
- 18 p. On or about September 25, 2008, transfer of
- 19 \$10,000 to Pfau Pfau & Pfau LLC;
- 20 q. On or about September 13, 2005, transfer of
- 21 \$294,892.25 to Defendant's father, Ray Gray;
- 22 r. On or about December 22, 2005, transfer of
- 23 \$275,000 to Defendant's father, Ray Gray;
- 24 s. On or about January 26, 2006, transfer of
- 25 \$200,000 to Defendant's father, Ray Gray;
- 26 t. On or about May 17, 2006, transfer of \$100,000 to
- 27 Express Escrow Co. for the benefit of Defendant's
- 28 father, Ray Gray;

- 1 u. On or about May 17, 2006, transfer of \$200,000 to
- 2 Defendant's father, Ray Gray;
- 3 v. On or about June 8, 2006, transfer of \$100,000 to
- 4 Defendant's father, Ray Gray;
- 5 w. On or about May 1, 2007, loan of \$100,000 to
- 6 Defendant's father, Ray Gray;
- 7 x. On or about May 18, 2007, transfer of \$110,000 to
- 8 Defendant's father, Ray Gray;
- 9 y. On or about August 31, 2007, transfer of \$300,000
- 10 to Stewart Title for the benefit of Defendant's
- 11 father, Ray Gray;
- 12 z. On or about August 6, 2007, transfer of \$100,000
- 13 to First American Title for escrow on the
- 14 property known as "700 Atterbury, San Marcos";
- 15 aa. On or about November 7, 2007, transfer of \$10,000
- 16 to First American Title for escrow on the
- 17 property known as "700 Atterbury, San Marcos";
- 18 bb. On or about January 11, 2008, transfer of \$11,000
- 19 to First American Title for escrow on the
- 20 property known as "700 Atterbury, San Marcos";
- 21 cc. On or about October 23, 2008, transfer of \$75,000
- 22 to Kona Brothers Coffee LLC;
- 23 dd. On or about December 2008, transfer of a piece of
- 24 real property to the Harmon Trust, recorded with
- 25 the Riverside County recorder as Doc.
- 26 2008-0646196.

27 191. Defendant falsely stated under oath in her response to
28 question number 8 on the 341 Questionnaire and her testimony at

1 her creditor meeting that the only responsive transfer was a
2 collection action previously listed on Schedule B, line 18.

3 192. Consequently Defendant, knowingly and fraudulently,
4 and under penalty of perjury, falsely affirmed her 341
5 Questionnaire and in knowingly and fraudulently testified under
6 oath at her creditor meeting, that the information contained
7 therein was true and correct.

8 193. Plaintiff therefore objects to the discharge of
9 Defendant pursuant to 11 U.S.C. §727(a)(4).

10 **THIRTEEN CAUSE OF ACTION**

11 **DENIAL OF DISCHARGE 11 U.S.C. §727(a)(4)**

12 **(False Oath)**

13 194. Plaintiff incorporates by reference paragraphs 1
14 through 88 above, inclusive, as though fully set forth herein.

15 195. The Initial Documents included a "Declaration
16 Concerning Debtor's Schedules", which Defendant executed and
17 which affirmed under penalty of perjury that the information in
18 Schedules A-J was true and correct. The Initial Documents also
19 included a "Declaration Under Penalty of Perjury by Individual
20 Debtor", which Defendant executed and which affirmed under
21 penalty of perjury that the information in Statement of
22 Financial Affairs, and any attachments thereto, was true and
23 correct. The Debtor testified at her meeting of creditors that
24 she listed all of her assets in her bankruptcy papers.

25 196. Plaintiff is informed and believes that on or about
26 June 24, 2007, the Debtor loaned \$100,000 to Pfau Pfau & Pfau
27 LLC.

28 197. Plaintiff is informed and believes that on or about

1 October 17, 2007, the Debtor loaned \$100,000 to Pfau Pfau & Pfau
2 LLC.

3 198. Plaintiff is informed and believes that on or about
4 November 7, 2007, the Debtor loaned \$100,000 to Pfau Pfau & Pfau
5 LLC.

6 199. Plaintiff is informed and believes that on or about
7 May 1, 2007, the Debtor loaned \$100,000 to her father, Ray Gray.

8 200. The Debtor did not list these loans or accounts
9 receivable on her Schedule B or any amendments thereto.

10 201. Plaintiff is informed and believes that Defendant
11 falsely stated under oath that she had listed all of her assets
12 on her schedule B.

13 202. Consequently Defendant, knowingly and fraudulently,
14 and under penalty of perjury, falsely affirmed her Schedules and
15 knowingly and fraudulently testified under oath on her
16 bankruptcy papers and at her creditor meeting, that the
17 information contained therein was true and correct.

18 203. Plaintiff therefore objects to the discharge of
19 Defendant pursuant to 11 U.S.C. §727(a)(4).

20 **FOURTEENTH CAUSE OF ACTION**

21 **DENIAL OF DISCHARGE 11 U.S.C. §727(a)(4)**

22 **(False Oath)**

23 204. Plaintiff incorporates by reference paragraphs 1
24 through 88 above, inclusive, as though fully set forth herein.

25 205. The Debtor testified at her meeting of creditors that
26 her bankruptcy papers were true and correct.

27 206. Plaintiff is informed and believes that in December
28 2008, Defendant deeded a piece of real property to the Harmon

1 Trust, recorded with the Riverside County recorder as document
2 number 2008-0646196 (the "Riverside County Property").

3 207. The Debtor did not list the Riverside County Property
4 on her Schedule B, Statement of Financial Affairs, or any
5 amendments thereto.

6 208. Defendant falsely stated under oath that she had
7 listed all of her assets on her schedule B and falsely stated
8 under oath that the information on her Statement of Financial
9 Affairs was true and correct.

10 209. Consequently Defendant, knowingly and fraudulently,
11 and under penalty of perjury, falsely affirmed her Schedules and
12 Statement of Financial Affairs and knowingly and fraudulently
13 testified under oath at her creditor meeting, that the
14 information contained therein was true and correct.

15 210. Plaintiff therefore objects to the discharge of
16 Defendant pursuant to 11 U.S.C. §727(a)(4).

17 **FIFTEENTH CAUSE OF ACTION**

18 **DENIAL OF DISCHARGE 11 U.S.C. §727(a)(4)**

19 **(False Oath)**

20 211. Plaintiff incorporates by reference paragraphs 1
21 through 88 above, inclusive, as though fully set forth herein.

22 212. The Initial Documents included a "Declaration
23 Concerning Debtor's Schedules", which Defendant executed and
24 which affirmed under penalty of perjury that the information in
25 Schedules A-J was true and correct. The Initial Documents also
26 included a "Declaration Under Penalty of Perjury by Individual
27 Debtor", which Defendant executed and which affirmed under
28 penalty of perjury that the information in Statement of

1 Financial Affairs, and any attachments thereto, was true and
2 correct. The Debtor testified at her meeting of creditors that
3 she listed all of her assets in her bankruptcy papers.

4 213. Plaintiff is informed and believes that on or about
5 April 6, 2009, Defendant transferred certain real property
6 identified by document #2009-0166699 with the Riverside County
7 Recorder's Office to De Luz Real Estate Inc.

8 214. The Debtor did not list this property on her Schedule
9 B, Statement of Financial Affairs or any amendments thereto.

10 215. Defendant falsely stated under oath that she had
11 listed all of her assets on her schedule B and falsely stated
12 under oath that the information on her Statement of Financial
13 Affairs was true and correct.

14 216. Consequently Defendant, knowingly and fraudulently,
15 and under penalty of perjury, falsely affirmed her Schedules and
16 Statement of Financial Affairs and knowingly and fraudulently
17 testified under oath at her creditor meeting, that the
18 information contained therein was true and correct.

19 217. Plaintiff therefore objects to the discharge of
20 Defendant pursuant to 11 U.S.C. §727(a)(4).

21 **SIXTEENTH CAUSE OF ACTION**

22 **DENIAL OF DISCHARGE 11 U.S.C. §727(a)(4)**

23 **(False Oath)**

24 218. Plaintiff incorporates by reference paragraphs 1
25 through 88 above, inclusive, as though fully set forth herein.

26 219. The Initial Documents included a "Declaration
27 Concerning Debtor's Schedules", which Defendant executed and
28 which affirmed under penalty of perjury that the information in

1 Schedules A-J was true and correct. The Initial Documents also
2 included a "Declaration Under Penalty of Perjury by Individual
3 Debtor", which Defendant executed and which affirmed under
4 penalty of perjury that the information in Statement of
5 Financial Affairs, and any attachments thereto, was true and
6 correct. The Debtor testified at her meeting of creditors that
7 she listed all of her assets in her bankruptcy papers.

8 220. The United States Trustee is informed and believes
9 that on October 28, 2008, Defendant owned a piece of real
10 property identified as APN #659-220-005.

11 221. The United States Trustee is informed and believes
12 that on or about July 16, 2009, Defendant deeded a piece of
13 real property (APN: 659-220-005) to Panoche Valley LLC, recorded
14 with the Riverside County recorder as Doc. 2009-0367946.

15 222. The United States Trustee is informed and believes
16 that on October 28, 2008, Defendant owned a piece of real
17 property identified as APN #326-193-024.

18 223. The United States Trustee is informed and believes
19 that on or about July 16, 2009, Defendant deeded a piece of
20 real property (APN: 326-193-024) to Panoche Valley LLC, recorded
21 with the Riverside County recorder as Doc. 2009-0367947.

22 224. The Debtor did not list these property on her
23 Schedule B, her Statement of Financial Affairs or any amendments
24 thereto.

25 225. Defendant falsely stated under oath that she had
26 listed all of her assets on her schedule B and falsely stated
27 under oath that the information on her Statement of Financial
28 Affairs was true and correct.

1 226. Consequently Defendant, knowingly and fraudulently,
2 and under penalty of perjury, falsely affirmed her Schedules and
3 Statement of Financial Affairs and knowingly and fraudulently
4 testified under oath at her creditor meeting, that the
5 information contained therein was true and correct.

6 227. Plaintiff therefore objects to the discharge of
7 Defendant pursuant to 11 U.S.C. §727(a)(4).

8 **SEVENTEENTH CAUSE OF ACTION**

9 **DENIAL OF DISCHARGE 11 U.S.C. §727(a)(2)**

10 **(False Oath)**

11 228. Plaintiff incorporates by reference paragraphs 1
12 through 88 above, inclusive, as though fully set forth herein.

13 229. The Initial Documents included a "Declaration
14 Concerning Debtor's Schedules", which Defendant executed and
15 which affirmed under penalty of perjury that the information in
16 Schedules A-J was true and correct. The Initial Documents also
17 included a "Declaration Under Penalty of Perjury by Individual
18 Debtor", which Defendant executed and which affirmed under
19 penalty of perjury that the information in Statement of
20 Financial Affairs, and any attachments thereto, was true and
21 correct. The Debtor testified at her meeting of creditors that
22 she listed all of her assets in her bankruptcy papers.

23 230. Plaintiff is informed and believes that on or about
24 October 28, 2008, Defendant owned a piece of real property
25 identified as document number 811-030-018.

26 231. The United States Trustee is further informed and
27 believes that in February 2009, Defendant transferred a piece of
28 real property (APN #811-030-018) to Kona Brothers Coffee LLC.

1 232. The Debtor did not list this real property on her
2 Schedule B, Statement of Financial Affairs or any amendments
3 thereto.

4 233. The Debtor did not list this property as any type of
5 transfer on the Debtor's Statement of Financial Affairs or any
6 amendments thereto.

7 234. Defendant falsely stated under oath that she had
8 listed all of her assets on her schedule B and falsely stated
9 under oath that the information on her Statement of Financial
10 Affairs was true and correct.

11 235. Consequently Defendant, knowingly and fraudulently,
12 and under penalty of perjury, falsely affirmed her Schedules and
13 Statement of Financial Affairs and knowingly and fraudulently
14 testified under oath at her creditor meeting, that the
15 information contained therein was true and correct.

16 236. Plaintiff therefore objects to the discharge of
17 Defendant pursuant to 11 U.S.C. §727(a)(4).

18 **EIGHTEENTH CAUSE OF ACTION**

19 **DENIAL OF DISCHARGE 11 U.S.C. §727(a)(4)**

20 **(False Oath)**

21 237. Plaintiff incorporates by reference paragraphs 1
22 through 88 above, inclusive, as though fully set forth herein.

23 238. The Initial Documents included a "Declaration
24 Concerning Debtor's Schedules", which Defendant executed and
25 which affirmed under penalty of perjury that the information in
26 Schedules A-J was true and correct. The Initial Documents also
27 included a "Declaration Under Penalty of Perjury by Individual
28 Debtor", which Defendant executed and which affirmed under

1 penalty of perjury that the information in Statement of
2 Financial Affairs, and any attachments thereto, was true and
3 correct. The Debtor testified at her meeting of creditors that
4 she listed all of her assets in her bankruptcy papers.

5 239. The Defendant admitted that she cosigned for a loan
6 from Bank of the West for Ashurst Land & Cattle [LLC] and that
7 cattle were purchased with that loan as an investment.

8 240. The Defendant testified that she believes the cattle
9 still exist and the cattle may be on the Defendant's property.

10 241. Defendant testified she had no relationship with
11 Ashurst Land & Cattle.

12 242. The Debtor did not list the cattle or the investment
13 therein on her Schedule B or any amendments thereto.

14 243. The Debtor did not list the transfers to Ashurst Land
15 & Cattle on her Statement of Financial Affairs or any amendments
16 thereto.

17 244. Defendant falsely stated under oath that she had
18 listed all of her assets on her schedule B and falsely stated
19 under oath that the information on her Statement of Financial
20 Affairs was true and correct.

21 245. Consequently Defendant, knowingly and fraudulently,
22 and under penalty of perjury, falsely affirmed her Schedules and
23 Statement of Financial Affairs and knowingly and fraudulently
24 testified under oath at her creditor meeting, that the
25 information contained therein was true and correct.

26 246. Plaintiff therefore objects to the discharge of
27 Defendant pursuant to 11 U.S.C. §727(a)(4).

28 //

NINETEENTH CAUSE OF ACTION

DENIAL OF DISCHARGE 11 U.S.C. §727(a)(4)

(False Oath)

247. Plaintiff incorporates by reference paragraphs 1 through 88 above, inclusive, as though fully set forth herein.

248. The Initial Documents included a "Declaration Concerning Debtor's Schedules", which Defendant executed and which affirmed under penalty of perjury that the information in Schedules A-J was true and correct. The Initial Documents also included a "Declaration Under Penalty of Perjury by Individual Debtor", which Defendant executed and which affirmed under penalty of perjury that the information in Statement of Financial Affairs, and any attachments thereto, was true and correct. The Debtor testified at her meeting of creditors that she listed all of her assets in her bankruptcy papers.

249. As of the filing date of her petition, the Defendant owned a checking account for TNT Hair Design at Union Bank of California.

250. As of the filing date of her petition, the Defendant owned a bank account ending in 7541 at Union Bank of California.

251. As of the filing date of her petition, the Defendant owned a bank account ending in 8641 at Temecula Valley Bank.

252. As of the filing date of her petition, the Defendant owned a bank account ending in 2376 at Canyon National Bank.

253. As of the filing date of her petition, the Defendant had a certificate of deposit with San Diego County Credit Union in the amount of \$25,000.

254. As of the filing date of her petition, the Defendant

1 had an account with AG Edwards ending in 7599.

2 255. The Debtor did not list these accounts on her
3 Schedule B or any amendments thereto.

4 256. The Debtor did not list these accounts as closed on
5 her Statement of Financial Affairs, question no. 11, or any
6 amendments thereto.

7 257. Defendant falsely stated under oath that she had
8 listed all of her assets on her schedule B and falsely stated
9 under oath that the information on her Statement of Financial
10 Affairs was true and correct.

11 258. Consequently Defendant, knowingly and fraudulently,
12 and under penalty of perjury, falsely affirmed her Schedules and
13 Statement of Financial Affairs and knowingly and fraudulently
14 testified under oath at her creditor meeting, that the
15 information contained therein was true and correct.

16 259. Plaintiff therefore objects to the discharge of
17 Defendant pursuant to 11 U.S.C. §727(a)(4).

18 **TWENTIETH CAUSE OF ACTION**

19 **DENIAL OF DISCHARGE 11 U.S.C. §727(a)(4)**

20 **(False Oath)**

21 260. Plaintiff incorporates by reference paragraphs 1
22 through 88 above, inclusive, as though fully set forth herein.

23 261. The Initial Documents included a "Declaration
24 Concerning Debtor's Schedules", which Defendant executed and
25 which affirmed under penalty of perjury that the information in
26 Schedules A-J was true and correct. The Initial Documents also
27 included a "Declaration Under Penalty of Perjury by Individual
28 Debtor", which Defendant executed and which affirmed under

1 penalty of perjury that the information in Statement of
2 Financial Affairs, and any attachments thereto, was true and
3 correct. The Debtor testified at her meeting of creditors that
4 she listed all of her assets in her bankruptcy papers.

5 262. As of October 2008, Defendant was a beneficiary of the
6 1620 Wilt Road Trust, No. 200801461, Dated 02/01/2008.

7 263. The Debtor did not list her interest in this trust on
8 her Schedule B or any amendments thereto.

9 264. Defendant falsely stated under oath that she had
10 listed all of her assets on her schedule B and falsely stated
11 under oath that the information on her Statement of Financial
12 Affairs was true and correct.

13 265. Consequently Defendant, knowingly and fraudulently,
14 and under penalty of perjury, falsely affirmed her Schedules and
15 Statement of Financial Affairs and knowingly and fraudulently
16 testified under oath at her creditor meeting, that the
17 information contained therein was true and correct.

18 266. Plaintiff therefore objects to the discharge of
19 Defendant pursuant to 11 U.S.C. §727(a)(4).

20 **TWENTY-FIRST CAUSE OF ACTION**

21 **DENIAL OF DISCHARGE 11 U.S.C. §727(a)(4)**

22 **(False Oath)**

23 267. Plaintiff incorporates by reference paragraphs 1
24 through 88 above, inclusive, as though fully set forth herein.

25 268. The United States Trustee is informed and believes
26 that certain real property in San Marcos, California (A.P.N.:
27 222-350-27-00) was sold by Defendant in January 2008 for
28 \$420,000.

1 269. The United States Trustee is informed and believes
2 that on or about October 16, 2008, Defendant, for no
3 consideration, assigned a Deed of Trust, secured by the real
4 property in San Marcos, California (A.P.N.: 222-350-27-00) ("the
5 San Marcos Deed") to Kona Brothers Coffee LLC.

6 270. The United States Trustee is informed and believes
7 that the San Marcos Deed secured a loan in the face amount of
8 \$284,000.

9 271. The Debtor did not disclose the transfer of the San
10 Marcos Deed on her Statement of Financial Affairs or any
11 amendments thereto.

12 272. Defendant falsely stated under oath that she had
13 listed all of her assets on her schedule B and falsely stated
14 under oath that the information on her Statement of Financial
15 Affairs was true and correct.

16 273. Consequently Defendant, knowingly and fraudulently,
17 and under penalty of perjury, falsely affirmed her Schedules and
18 Statement of Financial Affairs and knowingly and fraudulently
19 testified under oath at her creditor meeting, that the
20 information contained therein was true and correct.

21 274. Plaintiff therefore objects to the discharge of
22 Defendant pursuant to 11 U.S.C. §727(a)(4).

23 **TWENTY SECOND CAUSE OF ACTION**

24 **DENIAL OF DISCHARGE 11 U.S.C. §727(a)(3)**

25 **FAILURE TO KEEP OR PRESERVE BOOKS AND RECORDS**

26 275. Plaintiff incorporates by reference paragraphs 1
27 through 88 above, inclusive, as though fully set forth herein.

28 276. Defendant conducted the following transactions:

- a. Defendant deposited a total of at least \$122,000 (100,000 + 10,000 + 11,000) into an escrow account between August 2007 and January 2008 for a property located at 700 Atterbury Drive, San Marcos;
- b. Defendant's Schedule G lists a rental lease for the property located at 2656 Vista de Palomar, Fallbrook;
- c. Defendant's Schedule G lists an agreement with Kona Brothers Coffee LLC to collect upon a Note;
- d. Plaintiff is informed and believes that Kona Brothers Coffee LLC has the following projects for Debtor:
 - (1) 112 Acre Harmony Grove Project
 - (2) 109 Acre Project at 36211 Pala del Norte
 - (3) 50 Acre De Luz Project
 - (4) 100 Acre Desert Hot Springs Project;
- e. As late as February 2008, Defendant was making mortgage payments for the 1620 Wilt Road property, in Fallbrook, California;
- f. Defendant believes the cattle for which she co-signed a loan still exist and may be on the Defendant's property;
- g. Defendant's loaned approximately \$300,000 to Pfau Pfau & Pfau LLC;
- i. Defendant loaned approximately \$100,000 to her father, Ray Gray;

- j. On her Schedule B, Defendant lists 2 Notes regarding Fallbrook, CA for \$2,062,641;
- k. On her Schedule B, Defendant lists other liquidated debts totaling \$640,000;
- l. On her Schedule B, Defendant lists a contract receivable of \$34,240,306;
- m. Defendant has listed two insurance claims valued at a total of \$220,000 for damage to real property on her response to question 8 on her Statement of Financial Affairs.

275. The Debtor has concealed, destroyed, mutilated, falsified, or failed to keep or preserve recorded information, including books, documents, records, and papers, from which the debtor's financial condition or business transactions might be ascertained.

276. Plaintiff therefore objects to the discharge of Defendant pursuant to 11 U.S.C. §727(a)(3).

TWENTY THIRD CAUSE OF ACTION

DENIAL OF DISCHARGE 11 U.S.C. §727(a)(5)

FAILURE TO EXPLAIN LOSS OR DEFICIENCY OF ASSETS

277. Plaintiff incorporates by reference paragraphs 1 through 88 above, inclusive, as though fully set forth herein.

278. Defendant conducted the following transactions:

- a. Defendant deposited a total of at least \$122,000 (100,000 + 10,000 + 11,000) into an escrow account between August 2007 and January 2008 for a property located at 700 Atterbury Drive, San Marcos;

1 b. Defendant's Schedule G lists a rental lease for
2 the property located at 2656 Vista de Palomar,
3 Fallbrook;

4 c. Defendant's Schedule G lists an agreement with
5 Kona Brothers Coffee LLC to collect upon a Note;

6 d. Plaintiff is informed and believes that Kona
7 Brothers Coffee LLC has the following projects
8 for Debtor:

9 (1) 112 Acre Harmony Grove Project

10 (2) 109 Acre Project at 36211 Pala del
11 Norte

12 (3) 50 Acre De Luz Project

13 (4) 100 Acre Desert Hot Springs Project;

14 e. As late as February 2008, Defendant was making
15 mortgage payments for the 1620 Wilt Road
16 property, in Fallbrook, California;

17 f. Defendant believes the cattle for which she co-
18 signed a loan still exist and may be on the
19 Defendant's property;

20 g. Defendant's loaned approximately \$300,000 to Pfau
21 Pfau & Pfau LLC;

22 i. Defendant loaned approximately \$100,000 to her
23 father, Ray Gray;

24 j. On her Schedule B, Defendant lists 2 Notes
25 regarding Fallbrook, CA for \$2,062,641;

26 k. On her Schedule B, Defendant lists other
27 liquidated debts totaling \$640,000;

28 l. On her Schedule B, Defendant lists a contract

1 receivable of \$34,240,306;

2 m. Defendant has listed two insurance claims valued
3 at a total of \$220,000 for damage to real
4 property on her response to question 8 on her
5 Statement of Financial Affairs.

6 279. Despite the requests of the Chapter 7 Trustee and the
7 U.S. Trustee, Defendant has failed to provide an accounting or a
8 satisfactory explanation of these transactions or the loss of
9 assets resulting therefrom.

10 280. Despite the requests of the Chapter 7 Trustee and the
11 U.S. Trustee, Defendant has failed to provide an accounting or a
12 satisfactory explanation of the deficiency of her assets to meet
13 her liabilities due to the foregoing transactions.


14 281. Plaintiff therefore objects to the discharge of
15 Defendant pursuant to 11 U.S.C. §727(a)(5).
16

17 **PRAYER FOR RELIEF**

18 WHEREFORE, Plaintiff prays that the discharge of the Debtor
19 be denied and that the Plaintiff have such other and further
20 relief as is just.

21 Respectfully submitted,

22 TIFFANY L. CARROLL
23 ACTING UNITED STATES TRUSTEE
24

25 Dated: November 30, 2010 By: 

26 Jeanne C. Wanlass,
27 Trial Attorney for the
28 Acting United States Trustee